



DANIEL HARGRAVES
Partner

Freeborn & Peters LLP
Attorneys at Law
The Helmsley Building
230 Park Avenue, Suite 630
New York, NY 10169

(212) 218-8766 direct
(212) 218-8761 fax

dhargraves@freeborn.com

www.freeborn.com

August 16, 2018

VIA ECF AND FEDERAL EXPRESS

The Honorable Paul G. Gardephe
United States District Judge for the Southern District of New York
Thurgood Marshall
United States Courthouse
40 Foley Square
New York, NY 10007

**Re: Wesco Insurance Company and Technology Insurance Company, Inc.
v. Personnel Staffing Group, LLC; Civil Action No.: 18-civ-03771 (PGG)
Joint Status Letter Regarding Initial Case Management Conference**

Dear Judge Gardephe:

An Initial Pretrial Conference is scheduled for this matter on August 23, 2018 at 10:15 am. In accordance with the Court's May 1, 2018 Order, the parties submit this joint letter for Your Honor's review.

- (1) Brief description of the case; including factual and legal bases for the claim(s) and defense(s)

Plaintiffs Wesco Insurance Company ("Wesco") and Technology Insurance Company, Inc. ("TIC") brought this action to recover premiums due in respect of two workers' compensation and employers' liability policies (the "Policies") they issued to Personnel Staffing Group ("PSG").

The Policies provide for a final premium to be determined by audit after the policy period ends. In order to conduct that audit, Wesco and TIC assert that they require payroll reports from PSG showing the wages and class code for each PSG employee.

To date, PSG asserts that it has responded to Wesco and TIC's demands in good faith and has provided many of the requested documents. However, because of limitations in PSG's payroll system, PSG has had difficulty providing certain payroll information to Wesco and TIC in the specific format requested. The parties are trying to resolve these issues and have agreed that it would be productive for the principals at the respective parties to communicate directly to see if a solution can be found.



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(2) Any contemplated motions

No motions are pending. No motions are currently contemplated.

(3) The prospects of settlement

The parties have discussed the prospect of settlement, which turns on resolving the issues relating to the specific payroll information sought by Wesco and TIC. As part of the parties' ongoing discussions, PSG notes that it has in good faith attempted to provide Wesco and TIC with the information and documents required for completing the audit. Counsel for the parties have agreed that it would be useful to arrange a discussion between principals to discuss PSG's internal system limitations and Wesco and TIC's documentary needs for completing their audit.

We enclose for your review the proposed Case Management Plan and Scheduling Order as agreed between the parties. We also include a courtesy copy of the Complaint. PSG's time to answer or otherwise respond is presently set for August 20, 2018.

We thank the Court for its consideration.



Daniel Hargraves
Andrew J. Costigan
FREEBORN & PETERS LLP
The Helmsley Building
230 Park Avenue, Suite 630
New York, New York 10169
212-218-8760
dhargraves@freeborn.com
acostigan@freeborn.com



Paul D. Sarkozi
Alexandra Kamenetsky Shea
TANNENBAUM HELPERN SYRACUSE &
HIRSCHTRITT LLP
900 Third Avenue
New York, New York 10022
212-508-6700
Sarkozi@thsh.com
Shea@thsh.com

*Counsel for Plaintiffs Wesco Insurance
Company and Technology Insurance
Company, Inc.*

*Counsel for Defendant Personnel Staffing
Group, LLC*

Enclosure

cc: Nathan A. Shev, Esq. (Sperling & Slater, P.C.)